



Hawes Signs

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Benefits at a glance

- ▶ *Completed installations to promise dates regularly over 98%*
- ▶ *Dramatically increased stock accuracy*
- ▶ *Finished goods reduced from £2.3 million to £1.3 million*
- ▶ *Customer complaints reduced by over 90%*
- ▶ *Awarded Tesco's Best Supplier of the year*
- ▶ *Fire fighting in customer project management down 10%*
- ▶ *Staff turnover down to less than 25% of previous figures and manufacturing absence halved*
- ▶ *Accidents reduced by a third and serious accidents almost eliminated*

Customer profile

Signs of the times

In 2002, Hawes Signs was suffering for its failure to meet customer requirements. It almost lost a major contract and was rated in 'the bottom 10 per cent' of that customer's suppliers.



Two years later, the company has made major advances. Its internal functions work together rather than in competition; it leads its sector and it delivers on its promises. In 2004 the company that previously held it in such low regard rated it as a top supplier. It achieved the improvement by following a defined structure of investment and change and has now set the foundations for its ongoing journey of improvement.



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***Clive Hawes
Managing Director
Hawes Signs***

As small and medium size businesses grow they find a glass ceiling beyond which they lose control of their processes and fail to deliver their customer promises. Hawes Signs is one such company.

Since its foundation, over 50 years ago, Hawes Signs has grown to become the UK leader in its industry in scale, knowledge and expertise. It achieved this position by outperforming the competition in speed of reaction, cost and quality, through the personal drive and the vast experience of its owners and of their nucleus of key managers and individuals. Recognising the need for continued change, it decided to invest in new systems and approached Oliver Wight for help. Three years on, it has progressed to become the top supplier to the major customer it nearly lost. It has control of its processes and, while issues remain and the journey to excellence continues, it is now widely recognised as the true leader in its industry.

Traditionally, companies in Hawes' position react quickly to events as they occur and spend very little time on planning the business at any level of management. Consequently, performance suffers when volumes and everyday issues increase beyond the level that key players can personally

handle. Extra resource can actually make things worse, since the formal fabric of processes and procedures have been seen as getting in the way and so newcomers find it difficult to know what to do. They can't do right for doing wrong in the eyes of the 'old hands'. Their efforts are disparaged and those same 'experts' who were already overloaded unnecessarily rework much of their work.

Hawes Signs is a family-owned company, based in Northampton. With an extended workforce of over 400 people, it supplies corporate signage for commercial premises including banks, petrol retailers, car distributors and supermarket chains. It provides graphic design, support services including site surveys, liaison with planning authorities, site engineering, sign procurement and manufacturing, project management and installation, and maintenance. Contracts can be worth several million pounds and involve all of the internal and external signs for a petrol station chain, a countrywide car showroom refit or a major retail store refurbishment.

Hawes Signs' development in the use of computers to support its business growth had been piecemeal. It had added systems as the need arose but they had enormous

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difficulty in getting them to work together. As Finance Director, David Thorpe, described, “The Company identified five disparate systems from different suppliers, which gave multiple sources of the same information and bred conflict and functional silo mentality. The company needed an integrating solution”. The decision for major investment in an ERP system (the first in its industry sector) was crucial and far-reaching. It was typical of the brave decisions that took the company to its leadership position but it brought with it the unexpected need for a dramatic change in its business processes and in behaviours and culture at all levels.

Working with Oliver Wight consultant Lawrie Rumens, the Board had its own three day workshop to help it understand its current position and to design its own version of the Oliver Wight Journey to Excellence. In parallel with the ERP implementation, it embarked on correcting the core issues of data integrity, planning, and the ownership of processes that would achieve early company gains and also pave the way for further excellence programmes. As Rumens remarked, “The outcome of the workshop was no great surprise. A very high proportion of companies in all market sectors spend their time being event driven – in fire fighting mode. They are low down in their excellence maturity and the root causes

that Hawes Signs found are very common. Their resolution is a vital pre-requisite to other more advanced and much discussed excellence initiatives”. These issues became the first stage of the company’s declared journey towards excellence to deliver gains to all its stakeholders. Viewed as separate items there was nothing new or spectacular but taken together they are a powerful concoction to seriously make the company well. This first stage was to regain control of the company from a customer perspective, to dramatically reduce fire fighting and to deliver its promises.

The company’s managers were also concerned that unless they took steps to introduce behaviours and processes to manage the whole business from the top down and move away from its focus on each functional silo, they would be exposed by their new integrated system. So they also decided to introduce Integrated Business Planning process as stage two of their excellence programme at the same time as their other initiatives. This would enable them to have at least an embryo process in place before cutting over to the new system.

Even so the cutover to the integrated system did not go well. It exposed, in a very highly unforgiving way, through



an unforeseen level of problems and issues, that the preparation had not been enough. The company had to reset what was thought to be good, at all levels and in all parts of the business. Key factors came to the fore that previously had not been on the agenda. This prompted a harder more searching review of the performance of core business processes and their supporting information needs against defined Oliver Wight excellence standards.

As the new Operations Director, Bill Robertson describes, “We had not fully understood the impact of loading product beyond our demonstrated capacity levels or the scale of arrears and backlog against plans in every part of the company. We had not grasped how good data and stock accuracy needed to be for the system based plans to be achievable nor the importance of doing things on time through the whole process especially in preparation for manufacture. Nor had we completely accepted the volatility of some major customer programmes and the repercussions throughout the business of so much work being loaded inside our real lead-times”.

A few figures against new standards tell this story. Stock Accuracy was only 65%; the accuracy of Bills of Resource

accuracy was even worse. Data chaos existed. The company didn’t know what material it needed nor what it already had! Facilitated workshops with key people on the ground devised new processes and disciplines to knock this into shape.

Over 40% of work was launched into operations inside lead times that the company could actually achieve. To resolve this, key managers worked together to agree key contract milestones and lead times (timefences). In workshop sessions, they designed Demand Control processes to handle exceptional requests. A special fast track team was created to deal rapidly with those last minute requests from customers for extra image to be in place for opening ceremonies and the like.

Delivery of materials had been below 40% on time and, in consequence, manufacturing got less than half its signs to site in time for crews to install. The customer on the receiving end experienced only a quarter of installations completed as promised and formal complaints ran at around 50 per month. A new regime was started where the schedule was regarded as a contract between planners and those doing the work. The buzz phrase through all



operations was “democracy in planning but autocracy in execution”. Put simply, if you can’t do the plan say so up front and agree what can be done; if you agree the plan then deliver it on time and in full.

Things got significantly worse before they started to get better. Tesco, the company’s biggest and longest standing customer, was among many who lost patience. They said, “You are in the bottom 10% of our supply chain. You find yourselves unable to improve. You are removed from the contract”. It took some lengthy negotiation at very senior levels to get back even a part of their ongoing business.

As these problems were rapidly tackled through focussed management action it became clear that they and other issues were symptoms of deeper problems that were the root cause of the culture of fire fighting. As Gary Frost, Director of Customer projects, says, “To get in control we went back to basics. We used ISO9000-based process maps to get consistency and transparency in what we did and redefined the purpose of everyone’s role to clarify ownership and responsibility. We created a single company

plan for our daily and weekly activities; and we introduced a clear culture on planning the work and then working the plan in all areas of the business.” These issues were added to the first phase of the company’s journey towards excellence to provide long lasting solutions to the reduction of fire fighting.

Having a single company plan is easy to say but not so easy to achieve. The introduction of Integrated Business Planning created a company wide process to review how the business plan would be met and agrees one integrated plan between the Board members on a regular basis. The Board established a ‘steering wheel’ of measures, to give it a balanced view of performance in the eyes of all its stakeholders. This top-level review process created a firm footing for supporting regular reviews of the company processes for managing new contracts, managing demand and customer development, and managing supply and order fulfilment.

To facilitate this process and to ensure that the supporting processes made customer-focussed decisions, vital new roles were created: New Contract Introduction Manager;



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Demand Manager; and Supply Manager. They ensure that the plan is devolved to every part of the business, with clear allocated ownership and escalation routes when things do go wrong.

The transformation of the company has been dramatic. It is good for customers. Completed installations to promise dates are regularly over 98% and items available for installation regularly hit similar levels. Stock levels are now controlled to parts per million levels and are so accurate that the auditors have discontinued their annual stock check. Finished goods have been reduced from £2.3 million to £1.3 million. As a result, customer complaints have fallen by over 90 per cent. In awarding Hawes Signs their Best Supplier for 2004, Tesco said “You are now one of our top suppliers. What you have achieved is a credit to your company and its people. We can now work together to increase the business Hawes does with Tesco”.

It is also good for its people who no longer spend their days (and nights) chasing the impossible. Fire fighting in customer project management is down to 10% of former levels and

people enjoy work much more, which is demonstrated by staff turnover falling to less than 25% of the previous figures. Manufacturing absence has halved and there is a huge spin off in safety, with all accidents down by a third and serious accidents – at just 10 per cent of previous levels – almost eliminated.

“In 2002 we had a company that was letting its customers down. We’ve now got into the driving seat and are in control of our processes and operations” says Clive Hawes, one of the company’s owners and its joint Managing Director, “The company is delivering to a high standard, simply by doing what it should – designing, making, installing and servicing signs. We have cemented our place as the leader of our industry and our clear intention is to stay in front. We are eliminating failure in business processes and progressing towards the point where we can consider their acceleration and step change. That’s the next step in our journey to business excellence.”



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